

MINNESOTA • REVENUE

INDIVIDUAL INCOME TAX Tax Preparation Services

March 25, 2004

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 2371(Thissen) / S.F. 2476 (Belanger)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>	<u>F.Y. 2006</u>	<u>F.Y. 2007</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective August 1, 2004.

EXPLANATION OF THE BILL

Current Law: Certain enumerated standards of conduct are imposed on most tax return preparers who offer refund anticipation loans. Such tax preparers must comply with certain rules mandating disclosure of the cost to the client of such loans and requiring notification to the client that electronic income tax filing results in rapid payment of the refund to the client by the Internal Revenue Service.

Administrative and civil enforcement mechanisms are provided; however, they do not apply to attorneys, certified public accountants, registered accounting practitioners, IRS enrolled agents, and fiduciaries who provide tax preparation services.

Proposed Law: The statute would apply to all tax return preparers whether or not they offer refund anticipation loans. Enumerated standards of conduct, except for the rules concerning refund anticipation loans, would not apply to attorneys, certified public accountants, registered accounting practitioners, enrolled agents, and fiduciaries who provide tax preparation services.

REVENUE ANALYSIS DETAIL

- The bill would have no effect on revenues.

Number of Taxpayers: not applicable

Source: Minnesota Department of Revenue
Tax Research Division
http://www.taxes.state.mn.us/taxes/legal_policy